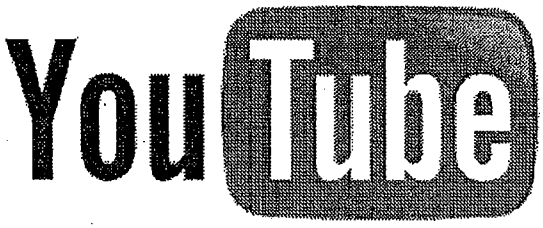


Board Meeting

August 23, 2006

DATE: 8.5.09 EXHIBIT# 19
DEPONENT: BOTHA, R
CASE: Viacom, et al., v. YouTube, et al., The Football Association Premier League, et al., v. YouTube, et al., Case Nos. 07-CV-2203 and 07-CV-3582

A. Ignacio Howard, CSR, RPR, CCRR, CLR, No. 9830

Agenda - Slides

- Legal (20 minutes)
- Human Resources (20 minutes)

- Metrics/ Financials (20 minutes)
- Sales Update (20 minutes)
- Marketing (20 minutes)

- Business Development (20 minutes)
- Product/Engineering (20 minutes)
- Support (20 minutes)

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011744

American Business Appraisers Report In:

- –Results = $0.68 per common share
- –Board to Establish Fair Market Value

REDACTED

LEGAL: ATTORNEY-CLIENT PRIVILEGED

TRIPLEPOINT EQUIPMENT LEASE FACILITY

- $4 million equipment lease facility (may be increased to $6 million with TriplePoint's approval)
- Financial terms same as TriplePoint loan facility of April:
  - Interest rate: Prime plus 0.7%
  - Warrant for 40,000 Series B shares at $4.00 per share (4%)
  - Right to invest in next equity round equal to lesser of $500,000 or 3% of total round

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011746

TRIPLEPOINT LOAN FACILITY

- Proposal to increase authorized Series B shares by 440,000, to a new total of 2,500,000:
  - –40,000 for TriplePoint warrant
  - –400,000 to maintain as unissued reserve
  - –After board approval will circulate written consent of shareholders

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

REDACTED

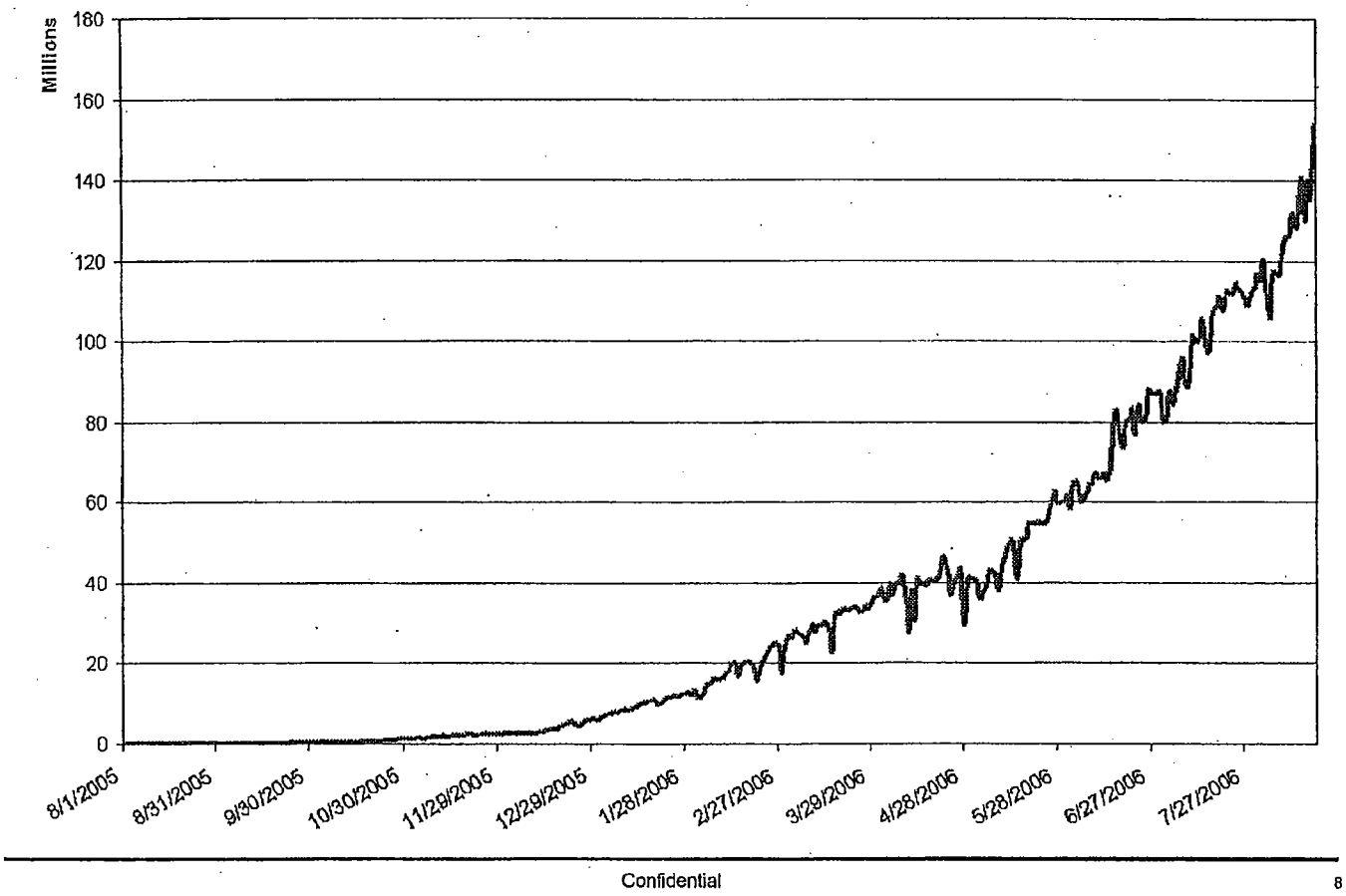
LEGAL: ATTORNEY-CLIENT PRIVILEGED

TUR V. YOUTUBE LAWSUIT

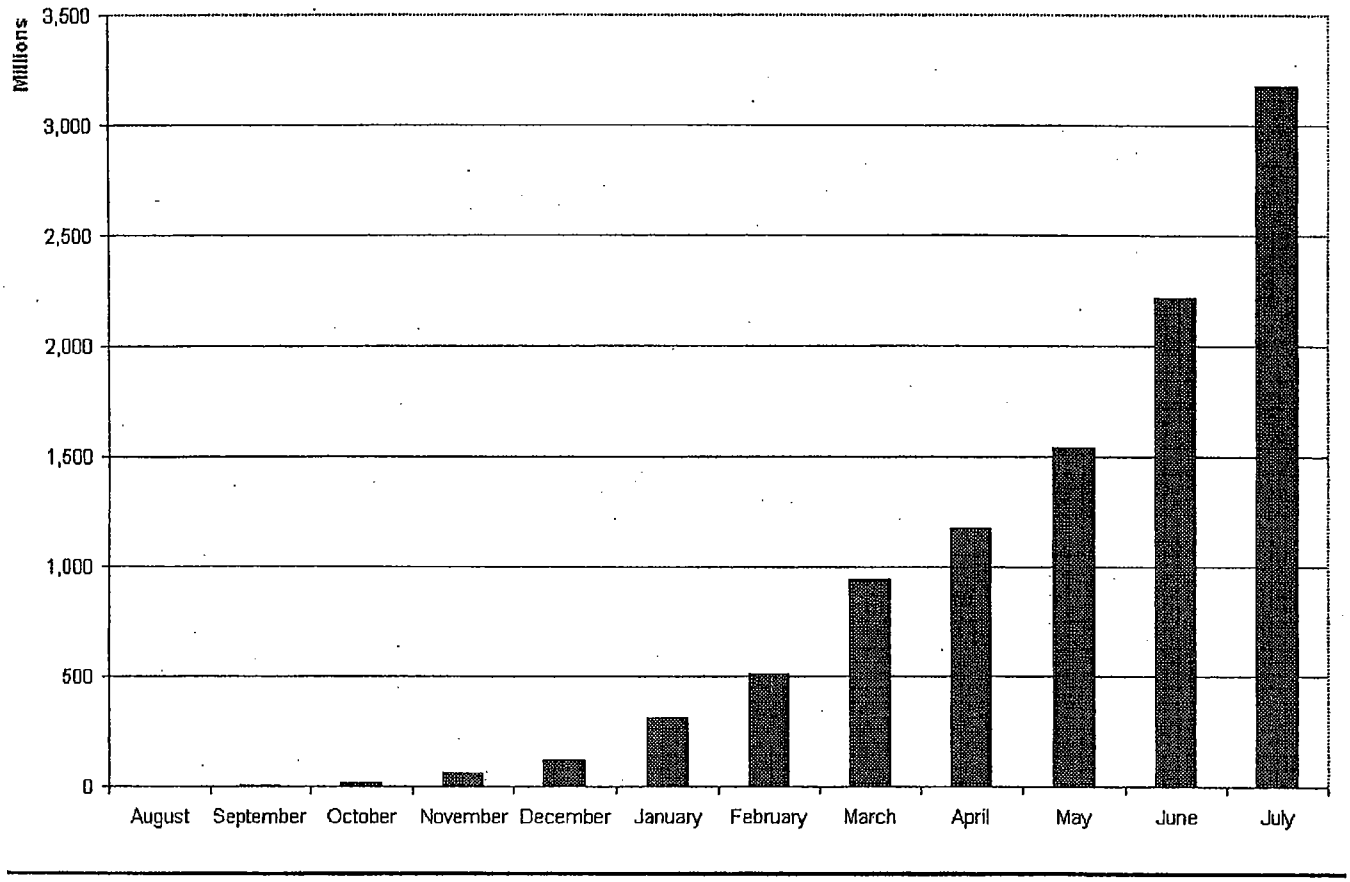
HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011748

- **Approval of Board Minutes**
  - **July 26 Board Meeting**

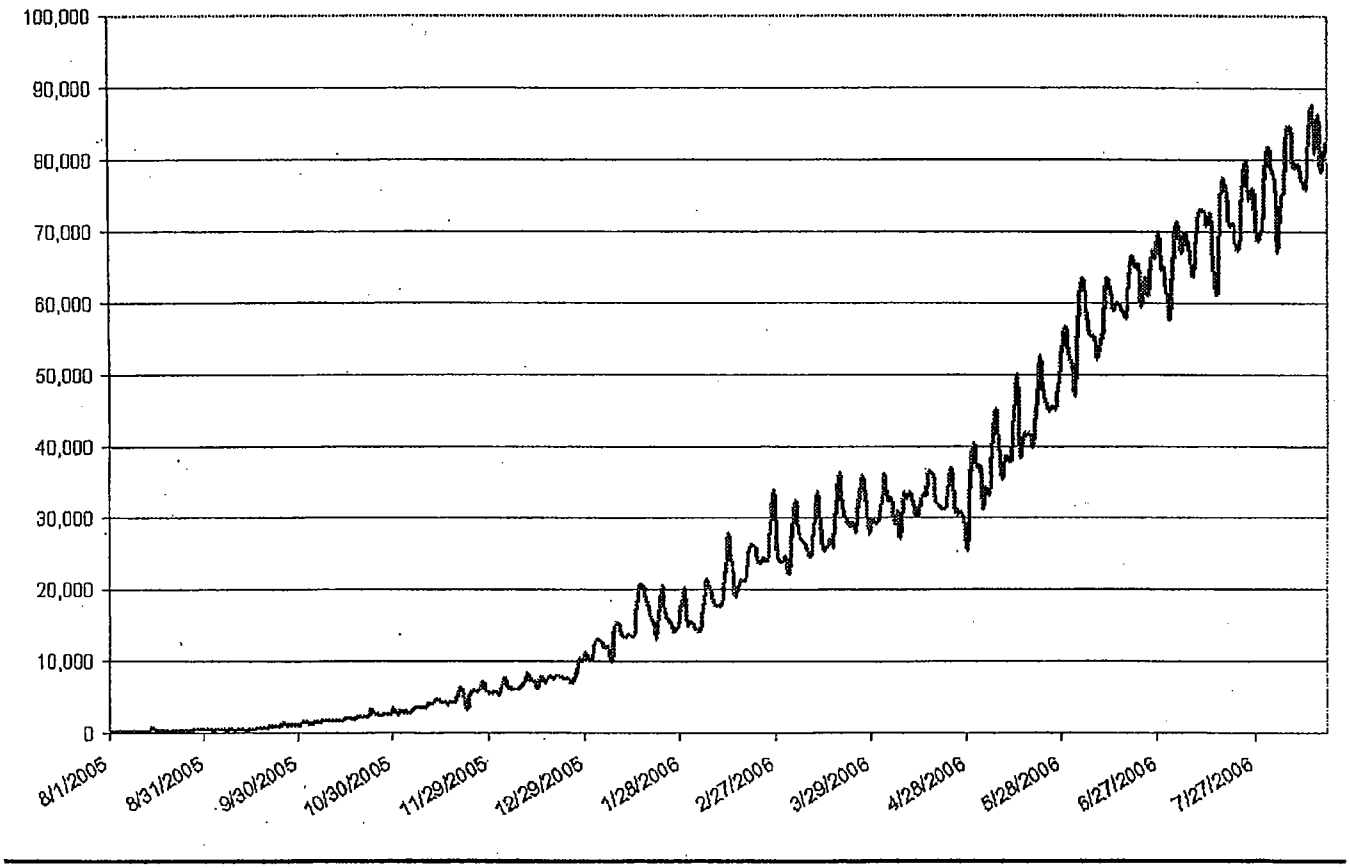
Views Per Day



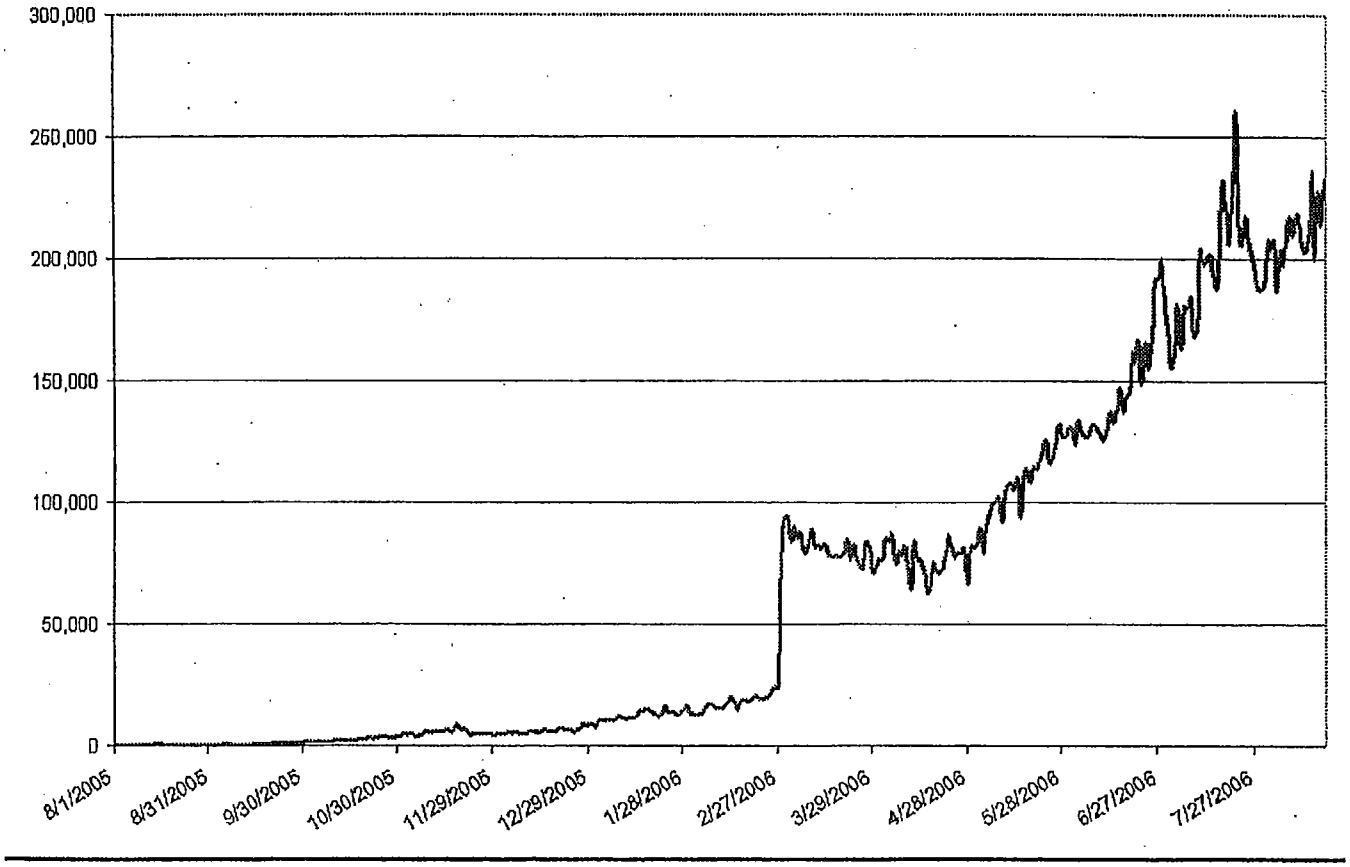
Aggregate Views Per Month



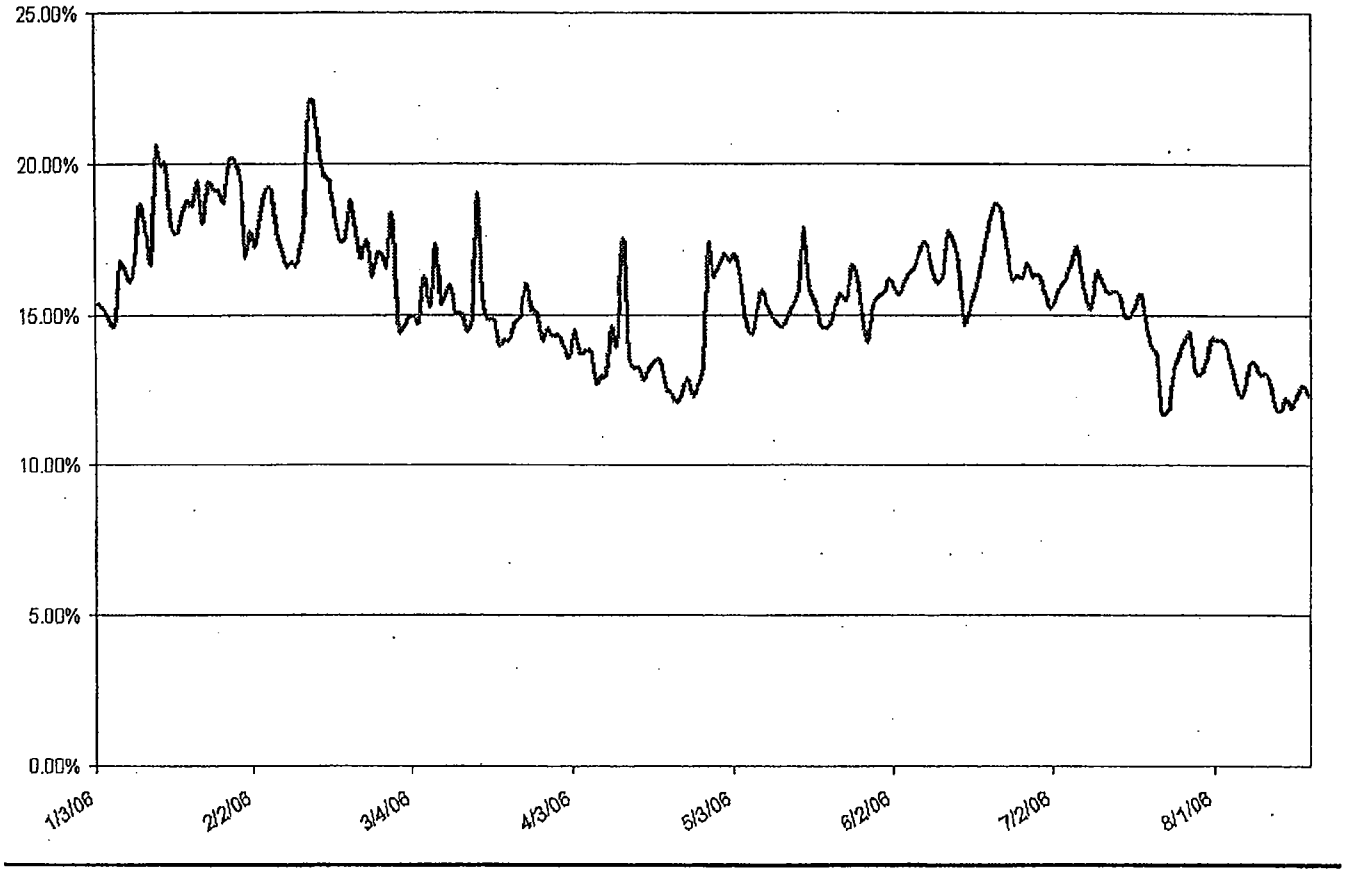
Uploads Per Day



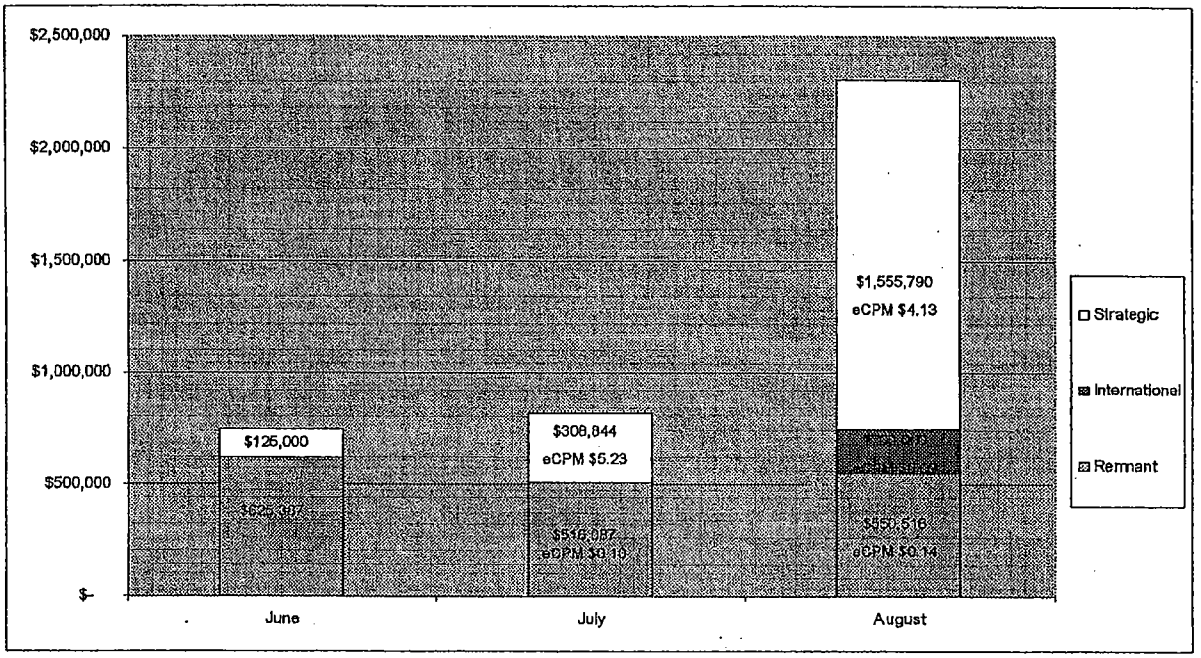
Registrations Per Day



Embed Views as a percentage of Total Views Per Day

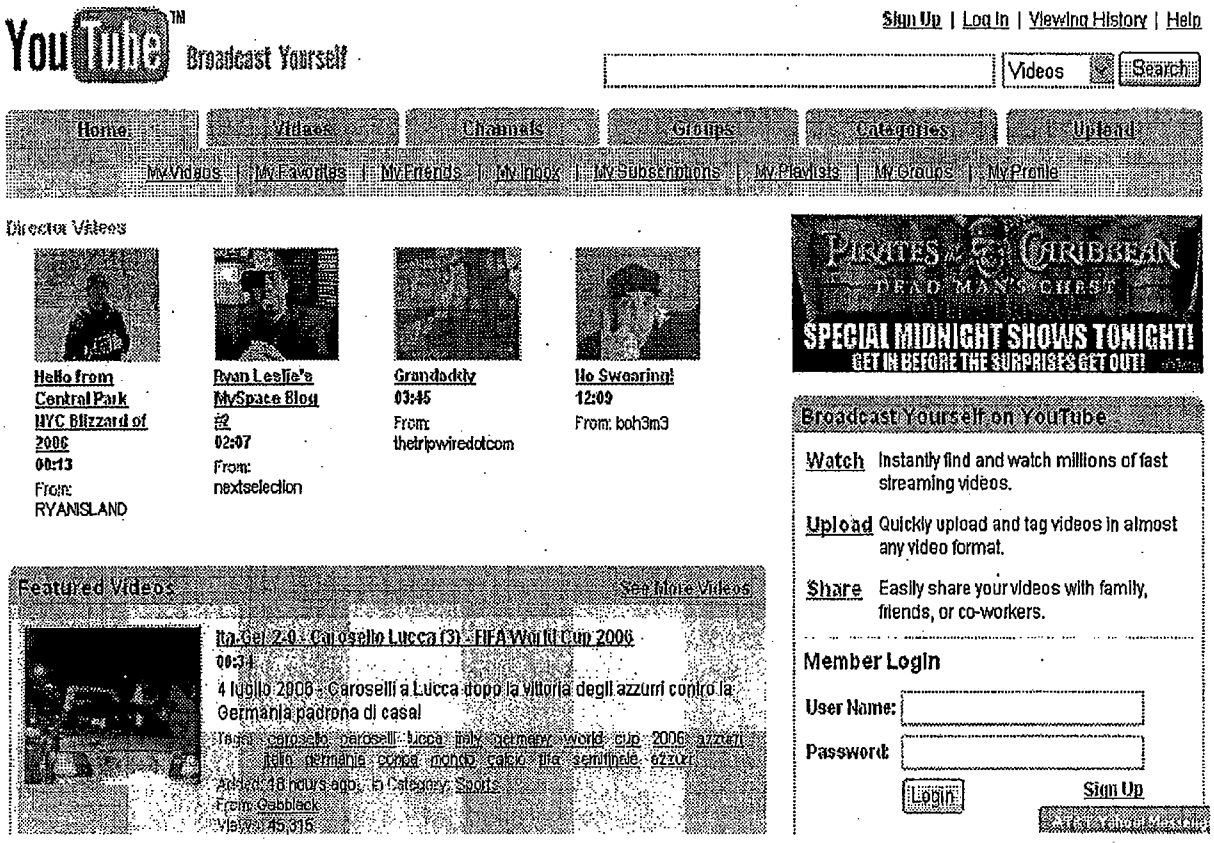


YouTube Ad Sales Revenue



HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

YouTube's First Sales Event – July 2006


YouTube™ Broadcast Yourself
Sign Up | Log In | Viewing History | Help
Videos
Search
Home
Videos
Channels
Groups
Categories
Upload
My Videos | My Favorites | My Friends | My Inbox | My Subscriptions | My Playlists | My Groups | My Profile
Director Videos
Hello from Central Park NYC Blizzard of 2006
00:13
From: RYANISLAND
Ryan Leslie's MySpace Blog
#2
02:07
From: nextselection
Granddaddy
03:45
From: thetripwiredotcom
No Swearing!
12:09
From: boh3m3
PIRATES OF THE CARIBBEAN
DEAD MAN'S CHEST
SPECIAL MIDNIGHT SHOWS TONIGHT!
GET IN BEFORE THE SURPRISES GET OUT!
Broadcast Yourself on YouTube
Watch Instantly find and watch millions of fast streaming videos.
Upload Quickly upload and tag videos in almost any video format.
Share Easily share your videos with family, friends, or co-workers.
Member Login
User Name:
Password:
Login
Sign Up
Featured Videos
See More Videos
Ita-Ger 2-0 - Carosello Lucca (3) - FIFA World Cup 2006
00:34
4 luglio 2006 - Caroselli a Lucca dopo la vittoria degli azzurri contro la Germania padrona di casa!
Tags: carosello caroselli lucca italy germany world cup 2006 azzurri italia germania coppa mondo calcio fifa semifinale 4luglio
Added: 18 hours ago in Category: Sports
From: Gabblack
Views: 45,315

YouTube Yesterday!

YouTube™ Broadcast Yourself

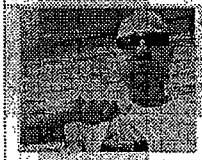
Hello, TonyNet (0) | My Account ▼ | Viewing History | Help | Log Out

Search for [ ] Search

Home | Videos | Channels | Groups | Categories | Upload

My Account | My Videos | My Favorites | My Friends | My Inbox | My Subscriptions | My Groups | My Channel

Featured Videos — See More Videos

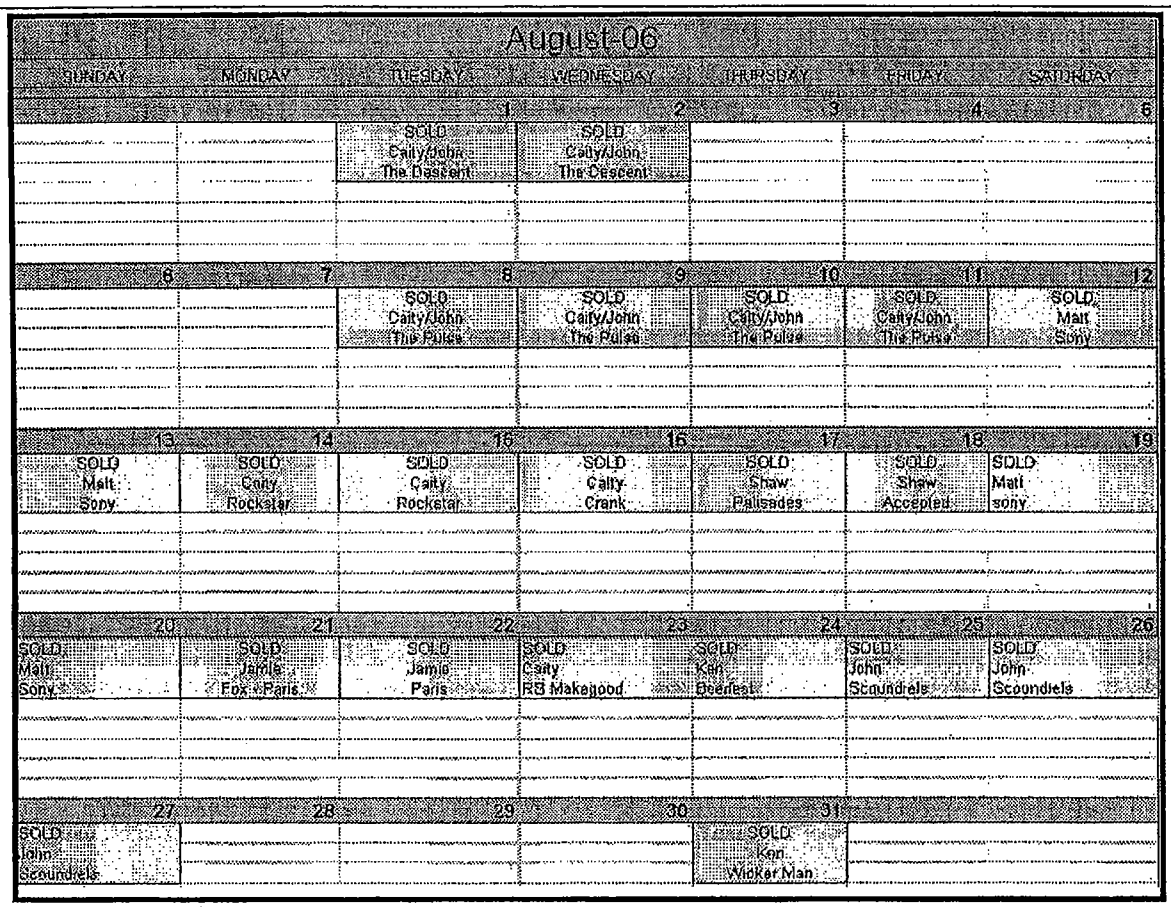


Diet Coke+Mentos=Human experiment:EXTREME GRAPHIC CONTENT
01:20
This is what happens when you eat Mentos and drink Diet Coke at the same time. PLEASE DO NOT ATTEMPT!
Tags: diet coke mentos
Added: 19 hours ago In Category: Entertainment
From: repetto
Views: 163,771
★★★☆☆
2318 ratings

Black and white
00:28
my pet abbits
Tags: rabbits
Added: 3 weeks ago In Category: Pets & Animals
From: freelavamen
Views: 159,895
★★★★½
1940 ratings

Rate this video
★★☆☆☆
5807 ratings
Hey YouTube! - xoxo Paris

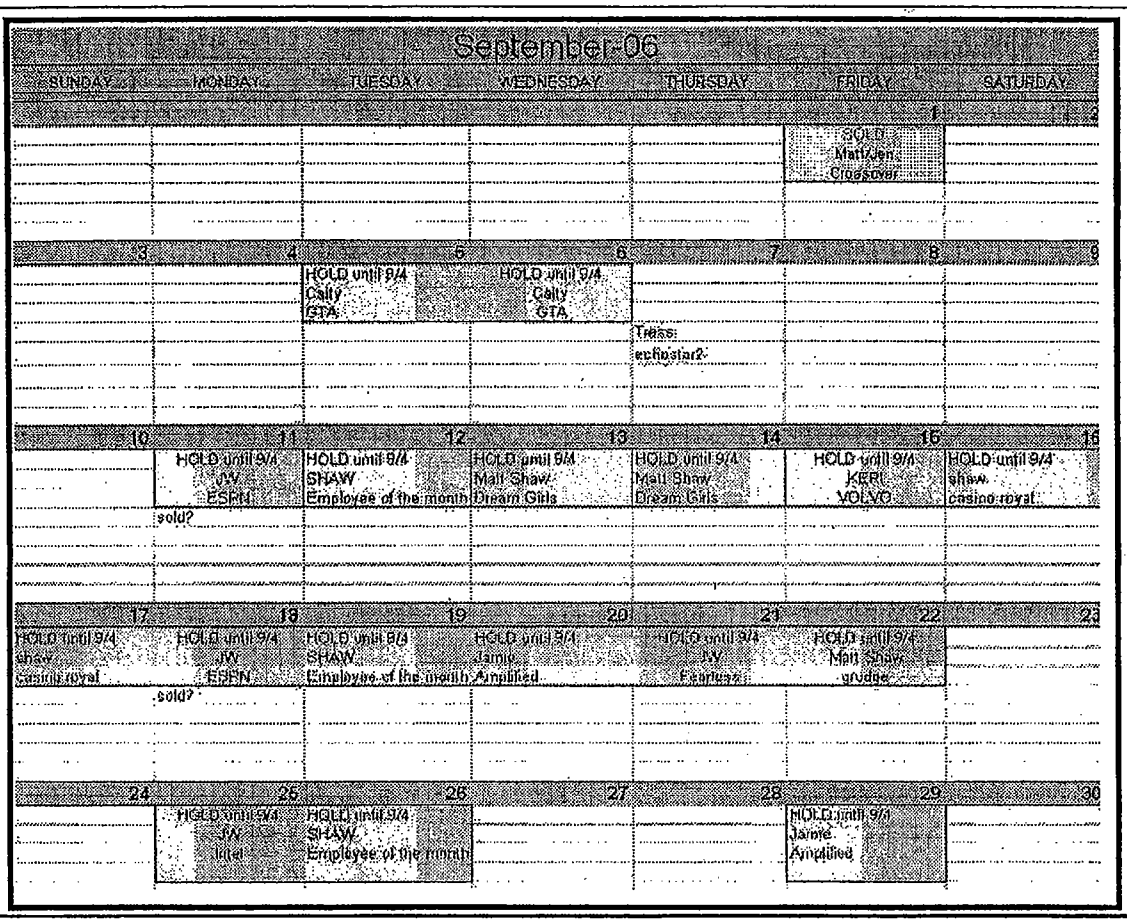
August Sell Through of the Front Page



August-06

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1 SOLD Caity/John The Descent	2 SOLD Caity/John The Descent	3	4	5
6	7	8 SOLD Caity/John The Police	9 SOLD Caity/John The Police	10 SOLD Caity/John The Police	11 SOLD Caity/John The Police	12 SOLD Matt Sony
13 SOLD Matt Sony	14 SOLD Caity Rockstar	15 SOLD Caity Rockstar	16 SOLD Caity Crank	17 SOLD Shaw Palisades	18 SOLD Shaw Accepted	19 SOLD Matt sony
20 SOLD Matt Sony	21 SOLD Jamie Fox - Paris	22 SOLD Jamie Paris	23 SOLD Caity RS Makegood	24 SOLD Ken Beerfest	25 SOLD John Scoundrels	26 SOLD John Scoundrels
27 SOLD John Scoundrels	28	29	30	31 SOLD Ken Wicker Man		

August "Holds"of the Front Page



YouTube Advertising Value Proposition

- YouTube has become the next generation media AND advertising platform
- Agencies/Clients are encouraged to post all their present and past ad campaigns on YouTube
- As more and more ads are stored, it will become increasingly difficult for users to find
- The YouTube Brand Channel gives advertising partners a platform to organize/showcase ads
  - Brand Channel gives Brands opportunity to message in our upload and registration paths
  - Brand Channel gives Brands the opportunity to drive traffic to a branded video destination
  - Brand Channel will have enhanced reporting features not available at lower spend levels
- The YouTube Participatory Video Ad (PVA) = buzz for the current ad and the Brand Channel
- Standard YouTube banner ads are packaged with the Brand Channel and PVA offerings

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011760

YouTube Ad Sales Staffing Needs (Current)

- Sales People (4 now)
  - Chicago
  - Detroit
  - Dallas
  - Atlanta
  - Boston
- Account Managers (2 now...offer out to a 3rd)
  - 2 more needed ASAP (one in NY and one in LA)
  - Should be a 1 to 1 ratio with sales short term (to keep costs per "sales" head down)
- Trafficking (2 now...one lead trafficking manager, one trafficker just hired from Google)
  - Need one more ASAP to stay ahead of the business coming in (and for training time)
- Sales Ops (1 now)
  - Additional Sr. Director to Manage the DART relationship
  - Mid level Sales Ops Manager to manage 3rd Party Vendors and QA Rich Media QA

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011761

International Strategy for Sales

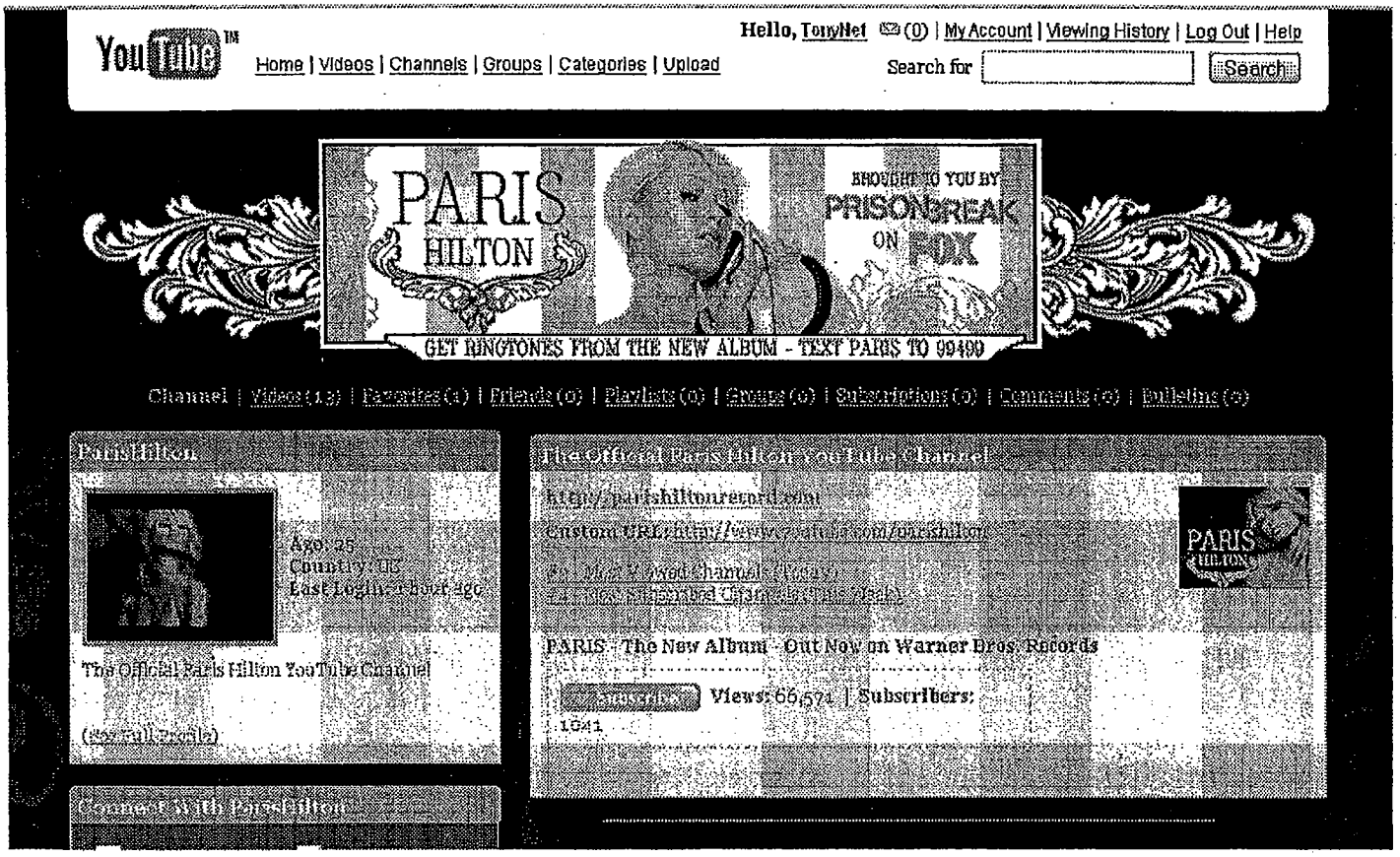
- US Based Int'l Ad Networks
- Int'l based Strategic Sales
  - UK
    - E-Type
      - They have both Strategic and Network (Accelerator) Sales
      - They are fronting us $460,000 of sales revenue to show their commitment
  - Australia
    - Tempest
  - Canada
    - UpTrend
  - Latin America
    - ClickDiario
  - Japan
    - DAC
    - CCI
  - China/Asia
    - MANY

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011762

Targeting

- Search Results Page Targeting
  - Actual terms: basketball
  - Actual brand names: Nike (sold only to the brand itself to market ads and Brand Channel)
  - Keyword bundles: Sports bundle = baseball, basketball, football, soccer
  - Search Categories: "basketball" typed in...our tech looks at highest % results...and calls ad
  - Sold on:
    - CPM for bundles and categories
    - CPC for actual terms
- Sub Category Targeting on Search and Watch Pages
  - Entertainment - Horror, Comedy, Action
  - Video Games - Role Playing Games, Sports Games, First Person Shooters
- Behavioral Targeting (this is in progress via DART)
  - Trend Setters Active commenters
    - Active uploaders
    - Active raters
    - Active vloggers

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011763


Hello, TonyHet (0) | My Account | Viewing History | Log Out | Help
Home | Videos | Channels | Groups | Categories | Upload
Search for
Search
PARIS HILTON
BROUGHT TO YOU BY PRISONBREAK ON FOX
GET RINGTONES FROM THE NEW ALBUM - TEXT PARIS TO 99490
Channel | Videos (13) | Favorites (0) | Friends (0) | Playlists (0) | Groups (0) | Subscriptions (0) | Comments (0) | Bulletins (0)
ParisHilton
Age: 25
Country: US
Last Login: about 4gc
The Official Paris Hilton YouTube Channel
(See Full Profile)
The Official Paris Hilton YouTube Channel
http://parishiltonrecord.com/
Custom URL: http://www.youtube.com/parishilton
PARIS - The New Album - Out Now on Warner Bros. Records
Subscribe
Views: 66,571 | Subscribers: 1041

Marketing Accomplishments and Plan: July – August 2006

ADVERTISING STRATEGY MARKETING

- Partnered with sales to secure involvement from Paris Hilton/Warner Records
  - Negotiated a mutually-beneficial relationship to have Paris broadcast to YouTube and be first brand advertiser
  - Generated ($100K/rev share) revenue with Fox Broadcasting
  - PR results greatly enhanced with high-profile partnership – Paris mentioned in most headlines

- The PVA giving Paris great exposure and is being very well received by the community
  - Video has broken in to the Most Viewed (#4 and moving up), Most Discussed (#4 and moving up), and Top Favorites (#7) Lists
  - Over 563 Users have Subscribed to Paris Channel
  - Videos are garnering solid view levels and good ratings and comments from engaged users / fans

- Advertising inquiries increased three-fold – 90 in-bound leads on day of announcement (35 on average/per day prior)

- PVA in high-demand - heightened interest and bookings

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011765

UPCOMING PROMOTIONS

- **YouTube Amplified (Promotion begins Sept 15; Starts October 1; Post promotion Nov. 15)**
  - **First YouTube music promotion to expand YouTube as a destination for musicians to be discovered**
  - **Cingular to be (potential) exclusive partnership - $1.6M package**
  - Categories (across all genres)
    - Best song; Best music video; Best behind the scenes supported by music/Most creative; Best live performance
  - Prizes (Grand prize; Runner Ups) – Still pending
    - Equipment (Gibson Guitars to outfit all three bands; exclusive Epiphone guitar for Best Song winner)
    - Fly winning bands to NY:
      - Gibson Guitars VIP Tour Bus
      - Good Morning America interviews of bands
      - Rolling Stone exclusive interview
      - Sirius Satelitte Radio Demo – Song rotation
    - Placement on the O.C./Grey's Anatomy – ChopShop
    - KROQ – LA; songs placed in rotation (1.5M listeners in LA area)
    - Featured video on YouTube

  Marketing
    - Promotion begins Sept. 15 - ends Nov. 15
    - Extensive press outreach
    - Newsletter to users, press, labels, band managers
    - House ads
    - YouTube blog
    - Sponsorship with major music magazine (ad barter relationship?)
    - Other product marketing (i.e. within category, etc.)

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011766

Marketing Accomplishments and Plan: July – August 2006

PROMOTIONS IN PROGRESS:

- Horrorfest Film Festival – Sponsorship package
- Holiday greeting card campaign
- New Year's promotion
- Vanity Fair – Oscar Party (TBD)
- People Magazine (YouTube awards)

BUZZ MARKETING

- **Product Placement**
  - Good Morning America (3 Videos of the Week)
    - First two weeks very successful; every Wed. for four minutes
    - Reached 20M viewers
    - Will be key partner to promote YouTube Amplified
    - Increasing view count of content; causing selected videos to go viral
    - Users excited about having video viewed on air

EMPLOYEE COMMUNICATIONS (IN PARTNERSHIP WITH HR)

- Released first bi-weekly email from Chad to employees

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011767

YouTube to Sell Advertisements In Video Format — THE WALL STREET JOURNAL. ONLINE

"But YouTube executives have said they aim to create a system that pioneers new ad formats and which could be extended to broker ads for other Web publishers, much as Google Inc. brokers ads that appear on other sites today."

-Kevin Delaney, Wall Street Journal

Video Site to Add to Ads

"Placing ads within ads further blurs the traditional lines between entertainment and its sponsors, a trend the Web is accelerating. It also defies the conventional wisdom that the young viewers who while away afternoons on sites like YouTube and MySpace don't want to be the targets of corporate marketing campaigns."

-Dawn C. Chmielewski and Chris Gaither, LA Times

Los Angeles Times latimes.com

Hollywood Reporter.com

YouTube eyes ad money with Paris Hilton channel

"YouTube, the online sensation that facilitates the viewing of 100 million amateur videos a day, is introducing a couple of new ways for advertisers to tap into the Web site's popularity while preserving its decidedly noncommercial attitude."

-Paul Bond, Hollywood Reporter

The New York Times ON THE WEB

YouTube Ads to Market CD by Paris Hilton

"Paris Hilton — heiress, nightlife enthusiast and rookie recording artist — has a new job: Internet advertising guinea pig."

-Jeff Leeds, New York Times

YouTube's new ad model

"People have wondered how YouTube, the Internet video phenomenon, would cash in on its explosive popularity. Now we have an inkling -- it's a first for Internet advertising, and comes with the help of Paris Hilton.

The participatory video ad, which visitors must click on to view, is one way the company is demonstrating how it plans to do Internet advertising differently."

-Michelle Quinn, San Jose Mercury News

YouTube pushes Paris as the way to go

"YouTube's efforts to make money out of its online audience by allowing advertisers t and by encouraging users to create their own ads is a further sign that social netwo platforms."

The move marks the most ambitious attempt yet by YouTube to monetise its huge and rapidly growing audience.

-Kevin Allison, Financial Times

YouTube introduces video advertising

"The video ads will complement the minimalist text and small graphical online advertising that it already offers in the for promotions and sponsorships."

-Reuters

BD Accomplishments – July/Aug '06

☑ **Distribution** [expand YT reach to mobile universe; leverage ad relationships in short run]

- Mobile: Negotiating terms with Amp'd, Helio Sprint, Verizon for q4 ($2-3 million in ad revenue), discussions with Vodafone for European deal

→***Dependencies: Full time editorial resource, content delivery system needs to be built; ad delivery platform for mobile ads.***

☑ **Content** [convert top director accounts to strategic content partnerships]

- TV: Closed Fox News, ABC News, Term Sheet - Viacom & CBS
- Music: In contract with WMG, Term Sheet with EMI, Universal Music and Sony/BMG. Additional backlog for Beggars/Matador, TVT, DRA, IODA
- Entertainment: Discussions with NBC, NHL, Disney for master agreement (ABC, ESPN)

→***Dependencies: Promotion for Tier 1 Partners (search & browse), Content Ingestion, Reporting, Audio Fingerprinting , Enhanced Partner Search tools need to be completed & integrated***

☑ **Infrastructure/Product** [support content licensing & ad partnerships]

- In contract Adobe (video editing) – In YT legal review
- Terms with Gracenote & Audible (audio fingerprinting) - YT bench testing for final selection
- Trail licenses with Omniture & Webside Story for site analytics – In YT legal review, sales/product team evaluating

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011770

BD Accomplishments – July/Aug '06

☑**Advertising** [maximize unsold ad inventory]

- Google & Yahoo: Executive level discussions for MySpace type deal (e.g. selling forward YT inventory)
- Supporting strategic Agency & Ad Network deals: Avenue A, Drive PM. Terms with Eyewonder, eType, Tempest
- Video Resource Center: Terms with content providers; Gizmodo, Camcorder Info, DV Magazine, VideoMaker Magazine

☑**HR**

- New Hire – Taylor Casino (BD Manager): Starts 8/28 Focused on account managing large content relationships; director account signups for tier 2 partners & BD operations projects

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011771

BD To Do's – Sept '06

YouTube

❑ **Distribution**

- Mobile: Close One exclusive North America partner (q4 opportunity)

❑ **Content**

- TV: Contract with CBS & Viacom strategic deals
- Music: Close & implement WMG, Go to contract with EMI, UMG & Sony
- Movies: Terms with NBC, Disney, & NHL, relationship building with MPAA

❑ **Infrastructure/Product**

- Close deal with audio fingerprinting vendor (Audible Magic/Gracenote)
- Close Adobe for editing tools
- License Salesforce.com for BD & Sales team

❑ **Advertising**

- Terms/Contract with Y! or Google on selling forward inventory

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011772

Content Partnership Requirements

YouTube

❑ **Product**

- Content Ingestion (automated XML feed)
- Content Usage Tracking & Reporting (plays, users, etc.)
- Claimed Content/Filtering (audio fingerprinting, text filtering tools)
- Geo Blocking for International Regions

❑ **Revenue**

- Revenue share (partner specific terms)
- Tracking Advertising Revenue on site & "watch" pages specifically
- Royalty Reporting (per play, % of revenue)
- Accommodating 3rd party ad sales & serving on YT

❑ **Promotion**

- Higher Search Ranking (e.g. partner videos)
- Browse Visibility (sort by partner content)
- Branded Channel
- Director Video Slots

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

SC011773

Product Accomplishments - August

Increase video views

- ❑ Browse by Language
  - Breakout languages on videos tab
- ❑ Categories
  - Integrate category browsing into video tab

Increase registrations/logged in users

- ❑ Subscriptions
  - Redesign of subscriptions inbox and management
- ❑ My Account
  - Centralized mgmt and viewing of all profile options, account settings and stats
- ❑ Musicians
  - Additional custom links on watch & channel, musician logo
- ❑ Custom URL
  - Users can create their own custom channel URL. Ex: http://www.youtube.com/steve

Community Development/Moderation

- ❑ Colleges
  - Create custom college groups to correspond with marketing efforts.
  - Closed Network - .edu required for signup
- ❑ Groups
  - Redesign Groups UI, ability to embed videos in a group, search within groups
  - Contests within a group (voting)

Revenue

- ❑ Brand Channels
  - Enhanced Customization of Channels and Watch for Advertisers/Media Partners
- ❑ Home Page Embed
  - Home Page embed ad unit with embedded community features (rating/comments)
- ❑ Contests
  - Functionality for advertisers/content partners to create and run their own contests

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011774

Product To Dos - September

Increase video views

- ❑ Watch Queue
  - Ability to one click add videos to a 'queue' when browsing or searching for later viewing
- ❑ Playlists
  - New Playlists tab with programmed/featured content
- ❑ Video Stills
  - Ability to pick any video frame as the still
- ❑ Location Browse
  - Browse videos by location

Increase registrations/logged in users

- ❑ Comedians
  - Launched Comedian accounts & browse
- ❑ Home Page
  - Redesign inbox. Room for more programmed content.

Community Development/Moderation

- ❑ Privacy Settings
  - Ability to control who can comment on your videos, send messages etc
- ❑ Resource Center
  - 'How To' guides (video & written), hardware/software reviews (partner content).
- ❑ Daily Email Digest
  - Daily email digest that contains summary of all comment, message notifications

Revenue/Partner Content

- ❑ Claim Your Content
  - Prototype tool for content partners to claim content
- ❑ Partner Channels
  - Branded channels for content providers. Subchannels for different categories of content
- ❑ Content Mgmt Tools
  - Content Mgmt tools for sales team to update text link ads

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011775

REDACTED

Support Department Focus, Accomplishments and Updates : August 2006

Accomplishments and Focus:

Consistently working to identify and refine both policies and technology to meet demand

- Identified a correlation between video views and email volume and have been able to create a shift in this correlation via better user interface, instruction and site improvements
- Partnered with engineering to develop more efficient admin tool design increasing staff efficiency exponentially – 600 new pages that require screening will be added to the site with the addition of categories this week
- Designed and implemented a new 3 tier inbound email automation system handling 93% of all support email volume
- Creating a new streamlined system necessary to scale, manage and document all copyright communications – in talks with outside vendors who will supply the email management system

Striving to achieve excellence, dedication, and motivation within our department

-
- Designing and implementing a thorough training and certification program for each member of department – Launch date August 30th!
- Instilled value system for the department by giving our team the new distinction of "The S.Q.U.A.D" – The Safety, Quality and User Advocacy Department!

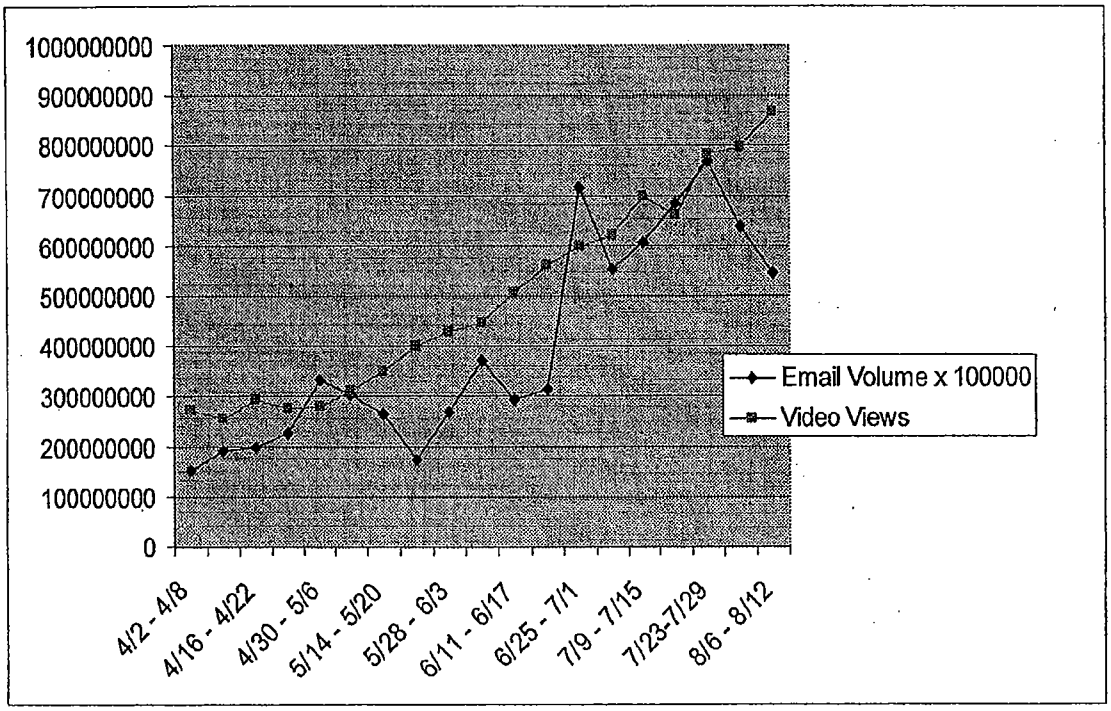
Updates:

DMCA

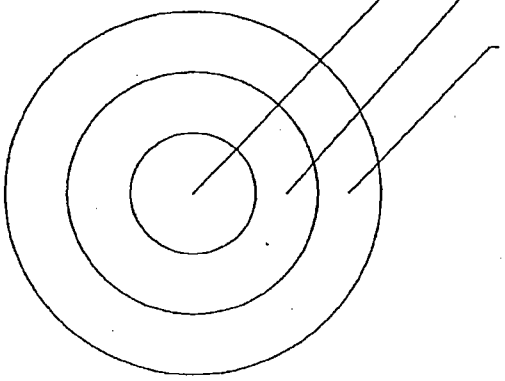
- Copyright takedown activity has spiked, requiring 2 dedicated full time people

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011776

Email Volume vs. Video Views



3 Tier Email Automation System



7% reply – These responses need personalized service

23% reply – 2nd Auto response Is sent discussing more targeted issues In depth

Initial email comes in – Auto response is Sent to all and answers approximately 70%

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY SC011778

Increased Copyright Activity - Unique URLs removed by week